



The Insider

www.senate.mi.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

April 13, 2006

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and make an appointment or just walk in. See schedule for details.

Mickey's Letter Bag

Dear Senator Switalski:

Channel 7 has reported that all the suburbs are getting a water rate hike and Roseville is going to go up 7.95%. I think this is a type of profiling especially, when I don't see Detroit on the list for rate hikes and Bloomfield, Farmington are only getting less than 1% - I feel that if it is necessary to raise the rates then it would be more beneficial to do a percentage rate straight across the board. Why are we at a 7.95% rate hike and other cities are higher or lower?

Our yards are going to be pretty ugly because nobody is going to buy flowers for the yards when we won't be able to afford to water them. I hope you can do something about this rate hike! Thank you!

Sincerely,
Kathleen Margrander
Roseville

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Hello Senator Switalski,

I have no clue as to whether this is anything in your jurisdiction or not but if it is could you possibly try to get a law passed banning cell phone usage while driving? Or at least require hands free devices?

I have drivers crawling up my rear on more occasions than I care to recount as they were buried in their conversations and not paying attention to the road....especially while making turns. I believe with hands free devices that they would still be just as distracted but at least could access the steering wheel with both hands.

Thank you,
Mark Jarosz
Sterling Heights

Dear Mark:

There are some bills pending on restricting cell phones, and some other states have done this. I would support a hands free restriction.

Mickey

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Dear Sir:

I work primarily with the poor and uninsured, and often have to search for reasonable rates on medications, or use less effective medications because of cost. Please support House Bill 4559, which would create a website with comparative pricing on medications. I would welcome such a site, as I often use the internet to track down prices for my clients.

In addition, please help the state to find a way to insure ever citizen in the state for at least a minimum form of health insurance. It continues to be a major issue facing this country, and will not go away until solutions are found.

Thank you for your time and attention to this matter.

Jesse Bateau
Sterling Heights

Thanks Jesse. I support the bill.

Mickey

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Senator Switalski:

Something needs to be done about the gas prices. These oil companies say they are not price gouging! What do you call it? No other company is making that kind of money. Isn't your job to protect your constituents? It's time you government people take a stand! Do something!

Tammy Hawblitzel

Dear Tammy:

They are gouging. They have us over a barrel, literally. I say we beat them at their own game. Let's switch to E-85, which is 85 percentage ethanol, which we can produce ourselves through our farmers and tell the oil companies and the Middle East we don't need them. Are you with me?

Mickey

Mickey's Blog: Governor Vetoes SBT Bill

As was widely expected, Governor Jennifer Granholm vetoed legislation (House Bill 5743) on March 31 that would eliminate the Single Business Tax two years earlier than the original intended target date of December 31, 2009.

Rather than heeding many legislators' and the Governor's concerns that a replacement tax for businesses be introduced in conjunction with repealing the SBT earlier, supporters intended to make a political campaign issue out of it.

I sympathize with proponents of this bill. They have a very tough sell.

Proponents need to convince the public that we should do something easy now - cut taxes - while promising to do something hard tomorrow - vote for a new tax.

Think of it this way: Abolishing the SBT without creating a replacement is like quitting your job before you've found another one.

It is irresponsible.

Imagine the child you've raised, watched get married, buy a house and have children confide in you:

"I don't really like my job," he says.

"That's too bad," you reply. "You should start looking around for another one."

"No," he replies. "I think I will quit my job first, and then I'll have more time to look for a new one."

Your reply is quick and forceful, a reply echoed over the years by millions of parents over hundreds of years. ***"Don't quit your job until you find a new one!"*** I think wage-earning societies with the free movement of capital and labor is a relatively modern phenomenon.

So proponents of this bill have my sympathy. They have to convince the people of this state that it is wise for Michigan to do something that any fiscally - conservative person would say is reckless, irresponsible and wrong.

The next problem is how to convince the press and public that you can replace the income.

The answer is another time-honored response that has been around for thousands of years. But it is not a particularly effective argument in used car sales, loan applications, or politics.

It's called "Trust Me."

"We'll figure it out," proponents promise. "We did it with Proposal A."

A look at the history of Proposal A and the history of the SBT suggests caution. The Governor proposed a revamping of the SBT a year ago, and it took nearly a year to reach agreement to merely amend it, not end it. We have been arguing about the business tax for all of the eight years that I have been in the Michigan Legislature, and we haven't agreed on a replacement yet. In fact, for four of those years, Governor Engler had a Republican Senate and House, and even the Republicans couldn't agree among themselves on a replacement.

But let's look at the bill. It says we won't use the sales tax, use tax, or property tax.

The SBT supplies about \$1.9 billion or around one - fourth of the General Fund. Here is a percentage breakdown of the General Fund:

Income tax =	50%
Sales tax =	13%
SBT =	23%
Other =	14%
Total	100%

Oh, and I forgot. The bill says we can't use property taxes either. The only thing left to raise is in the miscellaneous category. What does that consist of?

How about insurance taxes? That's 3 percent of the total, but the Governor proposed that, and the legislature said no.

How about taxing tobacco? That's also 3 percent of the total, but we just voted to raise the cigarette tax and we are already the second highest in the nation. What is left?

Very little.

Is business overtaxed? According to the nonpartisan Senate Fiscal Agency, business taxes comprise 5 percent of total state revenue. Is that too much?

Per the nonpartisan Tax Foundation, Michigan is ranked 26th in the nation for business climate. That's smack dab in the middle.

I suspect this bill is pure politics. This bill is two pages long, but it costs \$1.9 billion. It went through with no hearings and little debate. The Governor has vetoed it, and now the finger pointing and pontificating have begun.

Before the election date got too close, there was a time when irresponsible legislation like this coming over from the Michigan House was quickly rejected. Responsible leaders turned down every giveaway artist with a new tax cut with a curt but pointed question: "How are you going to pay for it? We are not doing any tax cuts that aren't paid for."

This legislation is another example of the Something for Nothing attitude that is sapping our national character.

Michigan is supposed to stand for people who work hard, build things, and mean what they say. They pay for what they buy.

Who is paying for this tax cut?

No one.

This bill tells business it can enjoy the benefits of a civilized society, with law enforcement to keep it safe and protect its assets, with transportation infrastructure to move its products to market, with an educational system to train its workers, and with the administration of justice to regulate its commerce.

And it tells them they can have that for free.

Every responsible Michigander rejects that equation.

The debate, even with the Governor's veto pen, is far from over. There is a petition drive going on to abolish the SBT. It could end up being that voters such as you will decide the SBT's fate and whether or not a replacement tax is included with it.

Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 12:30 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Various Times
(Comcast Channel 18)

*Please note that Sterling Heights/Utica/Clinton Township will show the TV Insider Show on Comcast Channel 5 and Wide Open West Channel 10. Clinton Township will air the TV Insider Show at various times during the last week of every month. Roseville can see the TV Insider Show on Comcast Channel 18.

Coffee Hours

*Since my District Office is in Roseville, I do not have set coffee hours in Roseville. However, I encourage you to visit the Roseville office. We even have a coffee pot. Everyone is welcome to attend the coffee hours and discuss their issues and concerns.

April 24
7-9 p.m.

Location: Clinton-Macomb Public Library
(35891 Gratiot, north of 15 Mile)
Clinton Township

May 1
7-9 p.m.

Location: Sterling Heights Public Library
(40255 Dodge Park)
Sterling Heights

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